

**REGULAR ADJOURNED MEETING (STUDY SESSION) OF THE
CITY COUNCIL
CITY OF COSTA MESA**

June 8, 2010

The City Council of the City of Costa Mesa, California met in a Regular Adjourned Meeting (Study Session), on Tuesday, June 8, 2010 at 4:30 p.m. in the City Council Chambers, 77, Fair Drive, Costa Mesa. The meeting was called to order by the Mayor.

ROLL CALL:

Council Members Present: Mayor Allan R. Mansoor
Mayor Pro Tem Wendy Leece
Council Member Eric R. Bever
Council Member Katrina Foley
Council Member Gary Monahan

Council Members Absent: None

(Council Member Gary Monahan left the meeting at 5:23 p.m.)

Officials Present: City Manager Allan Roeder
Assistant City Manager Tom Hatch
City Attorney Kimberly Hall Barlow
Public Services Director Peter Naghavi
Budget and Research Officer Bobby Young
Fire Chief Mike Morgan
Police Chief Christopher Shawkey
Recreation Manager Jana Ransom
City Clerk Julie Folcik

I. PUBLIC COMMENTS

1. Mondo Medina presented a video of interviews with members of the public about the City's Recreation programs (00:00:59)
2. Sandra Shwarzman spoke about saving the Balearic Center, its programs and the R.O.C.K.S. Program (00:03:38)
3. Ray Racunus, Costa Mesa, spoke on the 60 million dollar budget deficit (00:05:43)
4. Jennifer Blanton, Crime Scene Specialist for the City asked the Council to look at each potential layoff at the PD logistically (00:08:02)
5. Elizabeth Eddleman, Emergency Services Training Specialist for the City expressed the importance of her position and the benefit to the City.(00:08:56)

II. ITEMS FOR DISCUSSION

1. Presentation and Discussion of the Preliminary City Budget for FY 2010-2011 (00:12:25)

City Manager Allan Roeder opened this presentation and provided an overview of the budget reductions currently in place and proposed reductions including staff reductions. He noted that staff reductions would impact the level of service to the City and the budget reductions presented were 50 percent of the reductions needed to balance the budget. Additional revenue, reductions or use of reserves would be needed for the remaining budget deficit.

Budget & Research Officer Bobby Young presented a report on the full-time position history for the City showing a 20 percent staffing reduction recommended for Fiscal Year 2010-2011. Revenue estimates and appropriations were explained (00:21:49).

City Manager Allan Roeder continued the presentation covering revenue options such as the Transient Occupancy Tax (TOT), Business License Tax, dog license fee and citation sign-off fee and other taxes and user fees. It was noted that Costa Mesa has the lowest TOT with the average in the County at 11 percent. Mr. Roeder recommended a three percent increase to the TOT be placed on the next ballot.

Discussion ensued on the TOT, Business License Tax and other revenue sources. Mayor Monahan provided revenue suggestions, parking meters, stadium use fees, booking fees and rental fees. Other Council Members suggested staff look into raising fees, negotiating with employee groups and raising the TOT. The City Manager along with City Attorney Kimberly Hall Barlow and Public Services Director Peter Naghavi responded to questions from the Council Members (00:25:40).

Council Member Monahan left the meeting at 5:23 p.m. (00:46:30)

Budget and Research Officer Bobby Young continued the presentation covering Total Appropriations by fund type, distribution of appropriations, and 10 year historical expenditures by department. Mr. Young provided PERS projections for the next four years for all retirement plans and a General Fund Summary plan for the \$8 million dollar budget deficit (01:15:35).

Assistant City Manager Tom Hatch presented the Prioritization of City Services Update, explaining the research and the process for prioritization of services and the chosen method. Eighty-six items were rated and ranked in five categories.

Members of the community submitted 249 forms; 153 comments/suggestions and 165 responses were received. Upon completion of the prioritization, the top

three programs were the After School Program (R.O.C.K.S.), Youth Sports Programs and the Balearic Community Center (01:15:50).

Discussion ensued on proposed program and staff reductions. Assistant City Manager Tom Hatch, Police Chief Christopher Shawkey and Recreation Manager Jana Ransom responded to questions from Council Members regarding the elimination of a Recreation Coordinator position and reducing the hours for the Recreation Specialist. The Police Department would eliminate five Community Specialists and proposed reducing the ABLE program by 50 percent.

No action was taken on this item.

2. Revenue Update

Budget and Research Officer Bobby Young presented a report indicating a 17.2 percent increase in revenue in comparison to the previous year. The Transient Occupancy Tax (TOT) was also up 2.7 percent from the same month last year (02:29:05).

3. Employee of the Month

The City Council reviewed applications for Employee of the Month; a preference was indicated, absent any objection. Announcement of the Employee of the Month would be made at a subsequent City Council meeting.

II. COUNCIL MEMBERS REPORTS, COMMENTS, AND SUGGESTIONS

There were no Council comments made.

III. ADJOURNMENT

The Mayor declared the City Council meeting adjourned at 7:07 p.m. The next Regular Meeting will be held June 15, 2010.